



U.S. Department of Justice

United States Attorney
Southern District of New York

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The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007

July 6, 2010

10 CR 598 (KMW)

UNDER SEAL

The Honorable Loretta A. Preska
United States District Judge
United States Courthouse
500 Pearl Street
New York, NY 10007

Upon the consent of the United States Attorney's Office, the attached letter is unsealed.

*So ordered
Loretta A Preska
USDJ*

Re: United States v. DEFENDANT #1 a/k/a
"Christopher R. Metsos," et al.
10 Mag. 1391

United States v. Mikhail Semenko,
10 Mag. 1389

July 7, 2010

Dear Chief Judge Preska:

The Government writes respectfully, in Your Honor's Part I capacity, with respect to the above-captioned matter, which concerns the prosecution of various United States-based agents of the Government of Russia. These agents were charged in the Complaint that bears docket number 10 Mag. 1391 ("Complaint"), and in the Complaint that bears docket number 10 Mag. 1389 ("Chapman-Semenko Complaint"). The Complaint is attached as Exhibit A, and the Chapman-Semenko Complaint is attached as Exhibit B.

Last week, Magistrate Judge Ellis entered detention orders with respect to three of the charged defendants – DEFENDANT #2, a/k/a "Richard Murphy"; DEFENDANT #3, a/k/a "Cynthia Murphy"; and ANNA CHAPMAN.

The remaining defendants fall into three categories.

First, five of the remaining defendants are detained in other Districts pending transfer to the Southern District of New York.

Second, one of the remaining defendants, DEFENDANT #1, a/k/a "Christopher R. Metsos," was ordered released by a Cypriot court – and is now a fugitive.

Third, one of the defendants charged in the Complaint, VICKY PELAEZ, was ordered released by Judge Ellis – on July 1, 2010, and pursuant to certain bail conditions ("Release Order").¹

Upon Judge Ellis' entry of the Release Order, the Government immediately sought a stay of the Order, so as to consider its appellate options. In response to this request, Judge Ellis noted that the relevant bail conditions (including electronic home monitoring) could not be complied with until today, July 6. Accordingly, Judge Ellis indicated that he would not be entering a stay – as the Government would, in any event, have until today to determine whether to appeal.

With respect to Pelaez, the Government has now determined to seek an appeal from Judge Ellis' Release Order. Accordingly, the Government would respectfully seek: (1) a stay of the Release Order, and (2) the scheduling of a time for a hearing with respect to the Release Order.

As to scheduling, two additional points bear mention. First, the undersigned has consulted with defense counsel with respect to his availability; defense counsel has indicated that he is available at any point between 2:00pm and 5:00pm.

Second, the Government may of course be asking the Grand Jury to return an Indictment at some point, which could potentially impact when any detention hearing might be set for. Again, the Government will be in touch with chambers as soon as is possible, this afternoon, with respect to whether an Indictment has or has not been returned.

As this letter describes proceedings taking place


¹ The Government had sought a detention order with respect to Pelaez on grounds of risk of flight, for the reasons described in a letter dated July 1, 2010, see Exhibit C, and for the reasons described orally at a detention hearing that took place in the Magistrate's Court. See Exhibit D.

before the Grand Jury, the Government respectfully requests that this letter be sealed.

Respectfully submitted,

PREET BHARARA
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cc: United States Magistrate Judge Ronald L. Ellis
Defense Counsel